



MARYLAND OF OPPORTUNITY.

Department of Business & Economic Development

2010 ANNUAL REPORT



Dear Friends:

I am pleased to share with you the 2010 Annual Report for the Maryland Department of Business and Economic Development, which highlights our State's commitment to creating and protecting jobs and improving the conditions that allow businesses, large and small, to create and save jobs. We continue to work hand in hand with our business community to strengthen Maryland's Innovation Economy, like life sciences, cybersecurity, green tech/clean tech and digital media, and investing in the skills and education of our workforce, key drivers of Maryland's economic stability.

Maryland is emerging from the economic downturn stronger and more quickly than most states, thanks in part to the knowledge economy solutions we have put in place aimed at fueling job creation. To put Marylanders back to work, we launched the *Job Creation and Recovery Tax Credit*, which provides \$5,000 to businesses for each worker hired off the unemployment rolls. We also developed the Maryland Small Business Credit Recovery Program to assist small businesses in gaining access to credit through a state-funded loan guarantee.

I am proud of the progress we have made. We have the top-ranked public school system in the country two years running according to *Education Week* magazine, and remain one of only eight states in the nation to maintain a Triple A bond rating. Our quality of life is second to none, due in part to our continued investments in arts and culture. Our foundation is strong, but we must remain focused on creating jobs not only for today, but creating the jobs that will ensure a brighter tomorrow for all Marylanders.

Sincerely,



Martin O'Malley
Governor

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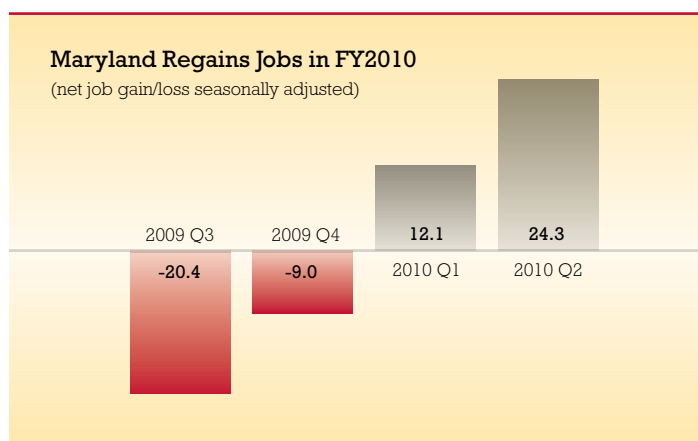
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THE RESULTS

“Getting the job done is all about putting people back to work 24-7, 365 days a year.”

Christian Johansson, Secretary

Day One - FY2010 focused on laying a durable foundation for business and improving how the state supports business and assists entrepreneurs. The results produced a banner year for the Agency with many highlights and some proud milestones.



Putting the Economy Back to Work

Creating jobs and putting Marylanders back to work is the state's single most important priority. Maryland jobs moved back into positive gains in FY10 adding nearly 20,000 jobs to the state's business base. The rebound is due, in large part, to Maryland's Triple A bond rating, a top-rated environment for entrepreneurship and *Education Week's* best-ranked public school system.

Marketing Maryland's Business Strengths

July 1, 2009 – FY2010 kicked off with the award-winning e-zine *Economic Pulse* as DBED launched a new Division of Marketing and Communications to promote the state's assets and leverage partner and stakeholder messages. The Division now operates a full service marketing and creative shop, provides communications, public relations, business research, tradeshow expertise, social media and web development reaching 4,000 people daily.



Sports Marketing Keeps the Ball Rolling

July 24, 2009 – M&T Bank Stadium's first professional soccer match, A.C. Milan vs. Chelsea Football Club, plays to a sold-out crowd of 70,000. Bouncing off the energy, Maryland Sports turns their sites to the NCAA Men's National Lacrosse Championships – May 28-30, 2011, and Baltimore's selection as a bid finalist to host the most popular sporting event in the world, the FIFA World Cup in 2018 or 2022.

Biotech Assets and Resources Under One Umbrella

September 15, 2009 – Maryland Biotechnology Centers open in Baltimore and Rockville. Serving as a “one-stop” portal to the state's vast array of programs, resources and information to grow the vital bioscience industry the centers are co-located in the World Trade Center and the Shady Grove Innovation Center.

Small Business Program Fast Tracks Credit Access

December 7, 2009 – Expanding access to credit, a key initiative to fast track the state's economic agenda, help strengthen business in Maryland and create jobs, the Maryland Small Business Credit Recovery Program offers loans on small business deals through an existing loan guaranty program, the Maryland Industrial Development Financing Authority Program.

“The Harbor Bank applauds DBED for progressive thinking in establishing a small business credit recovery program to provide much needed capital to small, growing and successful companies. It has proven to be an invaluable tool for us.”

Joseph Haskins, Jr., Chairman & CEO, The Harbor Bank

Cybersecurity Report Establishes State Sector

January 11, 2010 – Governor O'Malley unveils *CyberMaryland* before a delegation of 250 federal and military IT officials and business leaders at the NIST-hosted *CyberMaryland Summit*. The aggressive policy report establishes Maryland as the nation's epicenter for cybersecurity and calls for a National Center of Excellence for Cybersecurity.



Tax Credit Stimulates Job Creation

February 26, 2010 – Stimulating job creation for up to 4,000 Marylanders Governor Martin O'Malley celebrates the Senate's unanimous passage of the JCRTC. The new law provides eligible businesses a \$5,000 tax credit for every unemployed worker hired. Employers can apply online to create or save Maryland jobs.



BIO Governor of the Year Award

May 5, 2010 – Governor O'Malley receives the prestigious BIO Governor of the Year Award during former Vice President Al Gore's Keynote Luncheon at the BIO 2010 International Conference in Chicago. The national award honors leadership and commitment towards advancing the powerful biotechnology industry.

Maryland Receives Major Tourism Grant

May 5, 2010 – Tourism secures a \$5.5 million federal grant to market Maryland's Byways, the largest requested or ever received. State tourism officials seized the opportunity to prepare for experiences to commemorate the Civil War sesquicentennial, the bicentennial of the War of 1812 and the centennial celebration of the life and legacy of Harriet Tubman.

Governor Unveils Interactive Visitor Map

June 17, 2010 – Visit Maryland debuts a new, first of its kind interactive map giving residents and visitors the opportunity to explore online the state's rich collection of natural, cultural and historical attractions, including Civil War trails, state and national parks, museums and historic sites.

AGENCY LEADERSHIP

"We are committed to doing the things that need to be done to get Maryland's economy back on track and our people back to work."

Christian Johansson, Secretary

With a headwind bearing down on the nation's economy, the only choice for our Agency has been to forge ahead, confident in the bounty of our state's many resources. The challenges provided countless opportunities to innovate and expedite, and we rose to the occasion.

Mission

DBED attracts new businesses, stimulates private investment, creates jobs, encourages the expansion and retention of existing companies and provides Maryland businesses with workforce training and financial assistance. The Department markets local products and services at home and abroad to spur economic development and international trade and promotes sports, tourism and advances the arts.

Key Programs & Services

- Business research and economic analysis
- Site location and expansion assistance
- Finance programs, tax credits and grants
- Government liaison and advocacy
- Foreign direct investment promotion
- Small business consulting and assistance
- Workforce development support
- Military relocation implementation
- Export consulting and marketing
- Tradeshow and conference partnership
- Business marketing and advertising
- Sports event recruitment
- Arts organization grants
- Tourism marketing

Budget

One of 20 agencies within Maryland's Executive Branch, the Department's FY2010 expenditures were \$85.6 million. DBED employs 238 people.



Secretary's Office

Completing his first full fiscal year in office, Secretary Johansson – working in tandem with elected officials, business owners, employers and advocates – secured unprecedented budget, policy and legislative accomplishments to support economic development programs.

- Job Creation & Recovery Tax Credit
- Unemployment Insurance Fund Modernization
- Small Business Credit Recovery Program
- Maryland Research and Development Tax Credit
- Biotech Investment Tax Credit Increase

Operations & Administration

The Department's objectives are carried out by three divisions: Business and Enterprise Development; Marketing and Communications; and Tourism, Film, and the Arts. In addition, the Office of Administration and Technology provides administrative support in human resources, budget, general accounting, general services, procurement and network infrastructure support to the Department's business units.

LOOKING FORWARD

“The Access to Capital Subcommittee researched and recommended strategies to educate banks and enhance their ability to utilize DBED’s guarantee programs to help our clients and prospects; they have been very open to creative ideas and private sector input.”

Annie Geiermann, Senior VP, Columbia Bank, Member, Governor’s Small Business Task Force

A strong foundation for the future in place, DBED continues to apply the same nonstop energy to maintain Maryland’s momentum and continued growth and prosperity for many years to come. FY11 holds the promise of accelerated activities and innovative initiatives to foster economic prosperity and an excellent quality of life in Maryland.

Invest Maryland Fuels Venture Capital

The engines of job creation and economic prosperity are new companies and the entrepreneurs who create them. InvestMaryland, a 2011 legislative proposal, aims to generate \$100 million to invest in early stage Maryland companies and would leverage billions of dollars and create thousands of jobs. This premium tax credit program will create a public-private partnership to fuel venture capital investments in Maryland’s innovation economy.

National Cyber Center of Excellence

The January 2010 launch of *CyberMaryland* called for measures to support the creation and growth of innovative cybersecurity technologies. A vital component is the planned national center of excellence. July 2010 federal appropriations provide funds for a NIST center projected launch in 2011. The COE will serve as the nucleus for research, development, evaluation and transfer of new technologies to thwart cyber crime and protect the country’s digital infrastructure.

New Visitor Center for Fort McHenry

Although Fort McHenry attracts over 650,000 international visitors annually, its current visitor center was built in 1963 to accommodate just 250,000. Designed and constructed by Maryland-based GWWO Architects and Forrester Construction, the center is funded with \$11 million in federal grants and \$2.8 million from Baltimore and the state. Scheduled to open March 2011, it is designed to achieve silver LEED certification.

Washington to Host BIO 2011 Conference

On June 27-30, Maryland, Washington, DC and Virginia will host the 2011 Bio International Convention. A unique opportunity to showcase Maryland’s strengths to more than 15,000 bio scientists from all over the world, the state will partner with our biotech community to host the events and feature a BioMaryland Pavilion with companies, universities, federal agencies and county partners.

Indy Racing Inks 5-Year Deal for Grand Prix

September 2-4, 2011, Baltimore’s city streets become the race circuit for the inaugural IZOD Indy Car Series event. An economic impact study shows the three-day event will draw 100,000+ people and generate \$11 million in tax revenue. Over the five year span, the event is projected to create 2,000 jobs and pump \$250 million into the state’s economy.



Making It Easier for Businesses

DBED is leading a multi-pronged approach making it easier for businesses to do business in Maryland. The objective is to reduce steps, ease processes and improve access between business and government on issues ranging from licensing and permitting to contracting and procurement. The state will unveil an online Central Business License system in 2012.

DIVISION OF MARKETING & COMMUNICATIONS

“Our job as a new division was simple: Provide relevant, meaningful and timely information in an inspiring manner on platforms and in places where our customers convene, communicate and collaborate.”

Andréa Vernot, Assistant Secretary

In 12 months DBED's new Marketing & Communications Division executed an aggressive, proactive and successful promotions program. Bringing together the research, creative services, public relations, marketing and interactive teams, we created the *MaryLand of Opportunity* advertising campaign, launched a new, award-winning website, three e-zines and four social media channels, published *CyberMaryland* and hosted live webinars and streaming video meetings – all reaching more than 10 million people.



CyberMaryland Heralds Business & Job Growth

Researched and produced award-winning *CyberMaryland* to determine where Maryland has the greatest potential for business opportunity and job growth. Hosted *CyberMaryland Summit* convening academia, government and business. Developed comprehensive marketing strategy to communicate state's strengths. Created the Agency's first blog and secured 300+ media placements valued at \$100,000.



MaryLand of Opportunity Campaign Debuts

With colorful, bold copy and eye popping graphics, DBED debuts a new business marketing campaign – MaryLand of Opportunity in a series of ads featuring audacious copy and compelling photography of Maryland CEOs, entrepreneurs and innovators in print, online, radio and transit venues generating 8.7 million impressions.

DBED 2.0

The Agency adopted the latest and best practices in interactive marketing to deliver employment data, economic analysis and breaking business news. A multi-platform social media push included a branded YouTube channel, Twitter, Flickr, Linked-In and Facebook. 12,000 targeted messages were routinely delivered through three new e-zines: *Global*, *Business* and *International Pulse*.

New Site Reaches Nearly One Million

Developed and redesigned the Department's website to highlight information, resources and businesses priorities. Created intuitive, flexible and adaptable modules that market Maryland's competitive advantages. Introduced a statewide business calendar and business news channel.

“DBED’s willingness to include the voices and ideas of some of their toughest critics to create a relevant, meaningful web site was stellar. They improved their site – and their relationship with their constituents – by listening, understanding and integrating the recommendations of their key customers.”

Claudia Morrell, Founder, Maryland Women in Technology, Facilitator, Website Focus Groups

Branded Collateral Suite

Created a suite of branded collateral for the Department’s sales force. The signature sales piece – *Business in Maryland* – touts Maryland’s competitive advantages in core industries. Produced four additional in-depth industry specific brochures to market the Aerospace & Defense, Information & Technology, Health & Life Sciences and Energy & Sustainability strengths in Maryland.



Media Outreach Secures \$1.1+ M Coverage

Through a strategic media outreach plan, placed 461 positive new articles on business in Maryland in print and broadcast mediums, as well as blogs. Served as a source and provided information for 244 news articles. In total, secured more than \$1.1 million in earned media coverage – with nearly \$750,000 in state and regional media.

Researchers Gauge Economic Impact

Conducted economic impact analyses of federal procurement, sporting events and the potential impacts of business prospects. Findings included: World Stem Cell Summit generated an estimated \$1 million; the Preakness, \$16 million; and the White Marlin Open fishing tournament, \$16 million.



Events Connect with Thousands

Produced an aggressive outreach schedule of tradeshow, workshops and roundtables. Participated in 120 special events and 23 tradeshow reaching almost 200,000 people. Provided enhanced public access through live streaming video of the Governor’s online Town Hall and milestone events.

Marketing Efforts Lauded with National Awards

DBED’s overall marketing and research efforts were lauded with national recognition for numerous projects, including the *Northeast Economic Development Association’s Presidents Trophy* in recognition of coordinated and unified branding. *CyberMaryland* was recognized with the *2010 Excellence in Research Award* from the Council for Community and Economic Research and Graphic Design USA Inhouse 2010 National Awards for the *Pulse* ezines; Big Ideas Campaign and Inc 500 Under Armour Ad; Star Spangled 200 and Sports Marketing web sites.

DIVISION OF TOURISM, FILM & THE ARTS

“Just look around – more Marylanders are employed in our quality of life industries than ever before.”

Hannah Byron, Assistant Secretary

Working to improve Maryland's quality of life for residents and visitors, the Division launched the state's public art commission, strengthened local tourism and art connections, and collaborated with individuals and companies to form a network of digital, electronic and emerging media enterprises. A concerted public relations effort resulted in \$12 million of feature publicity on the state's attractions, accommodations and recreational activities.

MSAC's Imagine Maryland: A Strategic Plan for the Arts 2009-2013 calls for engaging more citizens with the council's communications and marketing activities. The Council launched a new web site - msac.org redesigned to be visually compelling and more accessible to the general public.

the state. The small businesses (less than 25 full-time employees) must disseminate cultural knowledge through their food products and services, musical or visual arts, or occupational and religious activities.



1812 Bicentennial Commission Appointed

The Bicentennial of the War of 1812 is a one-time chance to elevate Maryland globally and to increase economic opportunities for Marylanders. A new standard Maryland license plate – with a Star-Spangled Banner theme – issued June 14 to commemorate and promote the bicentennial. A coin commemorating the Star-Spangled Banner is projected to raise \$8.5 million for bicentennial activities and programs.



Maryland Traditions Honors Small Businesses

Maryland Traditions, the Arts Council's folk life program, established the Traditional Small Business Recognition Program to promote small businesses involved in the perpetuation of cultural traditions and experiences in



“Maryland welcomed more than 29 million visitors in 2009 – up from 28 million visitors in 2008. And Maryland was one of only six states in the nation with increased visitation. We must be doing it right!”

Greg Shockley, Proprieter, Shenanigans, Chairman, MTDB



Green Travel Benefits Tourism Industry

Supporting Smart, Green & Growing, Maryland Green Travel launched a statewide program created to encourage environmentally-friendly practices and promote the state as a “green” destination to eco-minded travelers. The voluntary program helps businesses evaluate procedures, set goals and take specific actions towards environmental sustainability. Already, hotels with green practices are reducing waste, recycling and conserving energy and water.



Here to Play: Winning Bids for Future Events

The Office of Sports Marketing worked to secure six major sporting events with an estimated economic impact of \$341 million between 2011 and 2014.

The 2011 Baltimore Grand Prix is projected to generate \$250 million and when rivals Army and Navy meet on Maryland turf in 2011, 2013 & 2014 each game expects to produce \$22 million. Soccer fans attending the 2013 and 2014 U.S. Youth Soccer Region I National Championships are estimated to add \$25 million.



HIGHLIGHTS

"It's our mission to create jobs, save jobs, and improve the conditions that allow our businesses large and small to create and save jobs."

Governor Martin O'Malley

May 17, 2010
Garrett Container Receives
\$12,990 PWQ Grant – Creates
20 Jobs

May 18, 2010
Act Personnel Svcs. Receives
\$80,000 MSBFA Guaranty Loan –
Retains 4 jobs

June 23, 2010
Two I-70 Rest Centers
Open at South Mountain

November 12, 2009
National Cancer Institute
Breaks Ground on 330,000
SF Frederick Facility

November 18, 2009
DBED Awards Zymetis
\$100,000 Enterprise
Investment Fund Loan –
Creates 15 Jobs and
Retains 8

Governor
CyberMar
Convene
Advisory



Created or retained
10,007 jobs through
164 unique projects



Connected with
1,329 companies and
small businesses



Reached 1,226,467
people on line and
through MDBiz



Resolved 165
workforce, license,
permit and
technical issues



Conducted
134 financing
transactions



January 26, 2010

Governor Tours McCormick Technical Innovation Center, Congratulates Selection as One of "100 Best Companies to Work For"

January 11, 2010

Governor Releases Maryland at NIST, as Federal Facility Board

December 7, 2009

Governor Joins Greater Baltimore Committee to Host Access to Credit Summit

December 9, 2009

Baltimore's Blue Sky Factory Hosts Governor's Online Town Hall with Small Business Task Force

June 7, 2010

Leiber Schizophrenia Research Clinic Chooses Johns Hopkins Bioscience Park for New Home

July 10, 2009

Dixon Valve & Coupling Receives \$8,325 PWQ Grant – Retains 320 Jobs

September 18, 2010

BWI Technology Park Awarded \$200,000 Brownfield Grant

June 22, 2010

1812 Commission Presents North Point Star-Spangled 200 Conference

August 18, 2009

Governor O'Malley Swears in Maryland Economic Development Commission at ARINC

January 2010

American Bus Association – Drives into Capital Region Marketplace National Harbor

July 10, 2009

Triton Metals Receives \$5,569.50 PWQ Grant – Retains 77 jobs

July 23, 2009

Machining Technologies Welcomes \$2.5M MIDFA Loan Guarantee – Retains 250 Jobs

January 22, 2010

Arts Council Convenes in Ocean City and Berlin

DIVISION OF BUSINESS & ENTERPRISE DEVELOPMENT

“Despite tough economic times, the Division of Business and Enterprise Development team ends FY2010 having achieved or exceeded its major goals for the year. This means more jobs retained or created by DBED for Marylanders than in previous years. And setting a new record for outreach to more than 1,300 Maryland businesses”

Robert Walker, Assistant Secretary



The Division of Business and Enterprise Development works with companies across the state, throughout the U.S., and around the globe to help them succeed in doing business in Maryland – with the end goal of creating, attracting, retaining and expanding job opportunities for Marylanders.

hhgregg, Inc. Expanding into the Mid-Atlantic market, Indianapolis-based hhgregg, a leading appliance and electronics retailer leased 393,440 SF for a regional distribution center in Brandywine, creating 100 new full-time jobs. The company received an \$80,000 MEDAF loan and qualifies for an estimated \$133,000 in job creation tax credits. The new center supports the company's retail operation which plans to open up to 45 stores within 200 miles in FY2011.



LWRC International. Headquartered in Cambridge, this large and growing high-tech manufacturer of firearms for the military and law enforcement is nationally recognized in both the firearms and defense communities for the development of a patented self-regulating short-stroke, gas-piston system. The company is expanding the existing 250,000 SF facility creating up to 100 new jobs. Located in a Priority Funding Area, LWRC qualifies for One Maryland Tax Credit funding.



General Motors Corp. Expanding its Baltimore Transmission Plant at White Marsh, GM is constructing a high-volume, 40,000 SF facility to build electric motors and related electric drive components for cars and trucks that creates 200 new jobs and retains another 200. The state will provide a conditional loan of up to \$6 million with \$3 million funded through MEDAF, \$1.5 million from the DLLR Workforce Training Fund and \$1.5 million of Federal Stimulus Funding.

“We are working with DBED’s Federal Facility Advisory Board to create a Team Maryland that will convene business development professionals from companies of every size to to maximize federal government business to our state. ”

John Belcher, Member, MEDC, ARINC Chairman & CEO,

ITT Corp. A Fortune 500 company, ITT has opened a 22,575 SF location in Hanover for its Global Information Services team to use as a technology training facility, creating more than 90 high tech jobs. ITT received a \$100,000 MEDAF loan and qualifies for an estimated \$90,000 in job creation tax credits. The company's Intelligence & Warfare Division also leased 28,000 SF of office space in Columbia with the aid of a \$250, 000 MEDAF loan.

Vocus, Inc. A leading provider of award winning on-demand software for public relations management, Vocus leased 93,000 SF of office space for a new headquarters in Beltsville. With 285 full-time employees, the expansion will add 100 positions. Averaging a 35% growth over the last ten years Vocus is listed as one of America's Fastest-Growing Tech Companies. Vocus received a \$400,000 MEDAF loan.

Maryland International Incubator (MI2). MI2 is the result of collaboration between the University of Maryland, College Park and DBED and is Maryland's only business incubator attracting and supporting exclusively foreign technology companies. Seven of 11 companies approved to open office space in the incubator are from China – Maryland's second largest export partner.

J Green Foods. Company owners relocated from DC to Cumberland leasing 2,500 SF at the former Memorial Hospital building with plans to expand to 12,000 SF. J Green Food's manufactures meat replacements from plant-based protein products for distribution to regional and national markets. DBED provided funding for the Memorial Hospital Reuse Feasibility Study with a \$20,000 MEDAF grant.



DIVISION OF BUSINESS & ENTERPRISE DEVELOPMENT



QIAGEN Sciences. Headquartered in Montgomery County, QIAGEN is adding 117,000 SF of new manufacturing and office space to accommodate at least 90 new jobs by 2015. The company received a \$700,000 MEDAF loan and expects to invest approximately \$52 million in the project.

Jean Marie. Jeaneva Marie Fox, a severely disabled veteran, obtained a \$50,000 no interest loan from the Military Personnel and Service Disabled Veteran's Program to assist with purchasing equipment and start up costs for new restaurant operations with project costs of \$1,200,000. The restaurant is locating in the Metropolitan Shops at Prince George's Plaza in Hyattsville.



Moodlerooms, Inc. Located in Baltimore City, Moodlerooms, a leader in e-learning, received the "Best Information Technology Company of the Year" award at the 10th annual Maryland Incubator of the Year Awards. The Department has invested a total of \$400,000 to date and Moodlerooms has grown from five employees in 2007 to 30 in 2009 with projections to reach 70 by the end of 2011.



Swebo BioEnergy International. Headquartered in Sweden, Swebo BioEnergy established a U.S. presence in Bowie, leasing 2,500 SF of office space. The clean tech company sells equipment to produce bioenergy from wood shavings, poultry and horse manure and plans to build a prototype facility. The Department directly recruited the company in country.

McCormick & Co. Named as one of the best 100 companies to work for, the world's #1 spice maker posted record earnings in FY 2009 with double-digit increases for four consecutive years. The company's workforce grew by 2% during the recession and nearly 25% of the workforce has been with the company more than 20 years. McCormick's Technical Innovation Center in Hunt Valley is the company's global hub for research and development.



Tidewater Inn. The Chesapeake Bay Beach Club, located on Kent Island, purchased the historic Tidewater Inn with the assistance of the Department providing a 23 percent Loan Guarantee for a \$6.5M MIDFA loan. The project is projected to create 20 new jobs and retain 25.



C4ISR/DISA. Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance (C4ISR) is the largest BRAC unit relocating to Aberdeen Proving Ground with 7,000 positions, and the Defense Information Systems Agency (DISA) is the largest BRAC relocating agency to move to Fort George G. Meade with 4,000 positions. Over 1,500 jobs were relocated from Ft. Monmouth to APG within the course of FY 2010.



Maryland Export Initiative. The Maryland Export Initiative launched by Governor O'Malley gives Maryland's small businesses the resources and support to increase exports, create jobs and join the global marketplace. The Initiative will fully fund in FY2011. Export MD is a DBED Program that awards \$5,000 grants to small and mid-sized companies to assist with doing business overseas.

MARYLAND BIOTECHNOLOGY CENTER

"The biotech center was created simply because we have this incredibly rich research environment with a lot of discovery and invention compelling commercialization, from bench to bedside, from research to reality. We intend to nurture and grow these companies and attract new businesses to Maryland's bioscience powerhouse."

Judith Britz, Executive Director

Reaching out to Maryland's more than 500 bio and life science companies, the Biotechnology Center (MBC) has become the go to hub for new and developing enterprises looking to join the state's dedicated bio community.



New Director Takes Helm at Biotech Center

On January 18, 2010, Governor O'Malley appointed Howard Co. resident, scientist and entrepreneur Dr. Judith Britz to lead the Maryland Biotechnology Center. As the state's chief advocate and business development specialist for the life sciences industry, the former CEO works with entrepreneurs and academic, federal and corporate partners to increase business opportunities for biotech commercialization.

Center's Free Databases Support Research

MBC has nearly 100 bioscience companies benefiting from 6 databases housed at the Center's Baltimore and Rockville locations. The Centers offer access to Datamonitor, MedTRACK, MedTRACK Venture Finance and three new additions providing start-ups and early-

stage bioscience companies free access to some of the industry's most valuable and up-to-date research – Frost & Sullivan's Healthcare Research, Deloitte's Recap and Discovery Logic's Synapse.

BIO Intl Conference Features Governor & Businesses

May 3-6, an all star Maryland contingent gathered at the Chicago-hosted BIO International Conference gaining maximum exposure for the state's life sciences industry. Highlights of the aggressive agenda of activities included:

- **CEO Breakfast** – Governor O'Malley hosts the 3rd annual breakfast of Maryland bioscience CEO's, Life Sciences Advisory Board members and sponsors
- **Event Promotes Korea – MD Bio Expo** – Governor announces upcoming November 2010 conference organized by JG Business Link International at the Baltimore Convention Center
- **BIO CEO Reception** – Networking reception of senior executives from leading national and international pharmaceutical and biotechnology companies
- **BioMaryland Gala** – With 4,000 attendees, MD honors BioMaryland, sponsors and the bioscience community
- **BIO2011 Preview in D.C.** – Maryland rolled out the welcome mat for the global event for biotechnology - BIO2011 in Washington, D.C., June 27-30

“What remains striking about Maryland is its still enormous untapped potential in the biosciences. The MBC will help accelerate the rate the State’s bioscience research strengths translate into viable start-ups, commercialized products and more mature bioscience companies able to grow and sustain themselves profitably over the long term.”

H. Thomas Watkins, Chair, Maryland Life Sciences Advisory Board, President & CEO, Human Genome Sciences, Inc.

Expansion Projects Signal Cluster Growth

Life Technologies. A global biotechnology tools company, created by the merger of Invitrogen and Applied Biosystems, Life Technologies is expanding its manufacturing and research development capabilities at their Frederick facility with the aid of a \$500,000 MEDAF grant and expects to invest \$6 million in the expansion project costs, add 100 jobs and retain another 316. The company, with 9,000 employees, posted sales of \$3.3 billion in 2009.



RNL Biostar. A former occupant of TEDCO’s Rockville incubator, RNL Biostar is investing \$6 million to build a new research and manufacturing facility in Germantown. Focused on the research and development of life saving, adult-derived, stem cell therapies the company plans to double its 10,000 SF by 2014. Located in the Germantown Innovation Center, the company was awarded “Emerging Company of the Year-Editor’s Choice Award” by BioSpectrum Magazine.



Zyngenia. Gaithersburg biotech startup Zyngenia, formed in 2009 with the help of MedImmune executives and \$10 million in venture funding from NEA, is expanding 14,000 SF and adding 20 jobs with the aid of \$2.5 million in public funding and a \$1 million MEDAF loan. Focusing on next generation protein engineering and antibodies to treat cancer and inflammation the company’s total project costs are \$51 million.



FINANCIAL OVERVIEW

FY2010 Actual Expenditures

Office of the Secretary	3,341,544
Administration & Technology	4,487,035
Maryland Biotechnology Center	3,341,702
Division of Marketing and Communications	3,380,934
Division of Business & Enterprise Development	
Operations & Administration	13,500,002
Financing & Training Programs:	34,149,191
Total	<u>47,649,193</u>
Division of Tourism, Film & the Arts	
Administration & Programs	2,124,495
Tourism Development	7,699,552
Maryland State Arts Council	14,142,883
Total	<u>23,419,930</u>
DBED Total	\$85,620,338

Procurement Activity

MBE Contract Awards	
Total Awards	\$4,060,582
MBE/WBE	\$1,703,403
Percent	42%

Small Business Reserve Program*

Total	\$5,670,691
SBR	\$1,360,563
Percent	24%

*Preliminary results

FY2010 Tax Credit Highlights

One Maryland

- 5 Certificates of Eligibility
- \$26M in project/start-up costs
- 446 jobs created
- \$28.1M payroll
- \$62,900 average salary

Job Creation

- 15 Certificates of Eligibility
- 2,507 new jobs
- \$94.2M payroll/wages

Research & Development (2008)

- 138 businesses certified
- \$1.10 Billion in R&D expenses
- \$6M in credits awarded

Biotech Investment

- 160 applications received
- Tax Credit Certificates awarded
\$5,949,489
- 15 MD Biotech Companies receive
investment

Enterprise Zone Program

- 29 Zones

For complete program reports, visit ChooseMaryland.org

Financial Assistance Projects Approved in FY2010

Five flagship finance programs represented 134* projects which retained 3,161 jobs and created 4,976 new jobs and leveraged \$780 million of capital investment.

	MIDFA	MSBDFA	MEDAAF	MVF	PWQ
Projects	16	39	27	16	24
Loan Made or Grant Invested	n/a	\$4.9M	\$14.8M	\$1.7M	\$.27M
Loan Guarantees	\$6.4M	\$1.7M	n/a	n/a	n/a
Jobs Retained	699	531	2,472	228	1,043
Jobs Created	106	152	2,289	302	308
Total Project Costs	\$29.6M	\$24.1M	\$624.2M	\$22.4M	\$.45M

*total also includes 3 MIDFA tax-exempt bond projects

Additional Finance Programs:

Maryland State Arts Council Grants

Awards grants to arts organizations and artists.

- 97 grants totaling \$247,000 to individual artists
- 327 grants totaling \$9,421,443 to arts organizations
- 24 grants totaling \$2,143,133 to county arts agencies

Community Development Block Grant

Provides funding to commercial and industrial economic development projects.

- 3 conditional grants totaling \$585,000 with Total Project Costs of \$1,525,000

Military/Disabled Veterans Grants

Assists military reservist and National Guard members called to active duty, service-disabled veterans, and businesses that employ or are owned by veterans.

- 6 loans totaling \$300,000 with Total Project Costs of \$1,460,000

MIDFA – Maryland Industrial Development Financing Authority

MSFDFA – Maryland Small Business Development Financing Authority

MEDAAF – Maryland Economic Development Assistance Authority and Fund

MVF – Maryland Venture Fund

PWQ – Partnership for Workforce Quality

Program activities highlighted in this section for FY2010 do not necessarily represent actual expenses or encumbered funds in FY2010, and may also include activities encumbered in prior years and restructured transaction activity.

BOARDS & PARTNERS

"Businesses are most likely to invest where they see state government, local government and the local business community cooperating on a common strategy."

Christian Johansson, Secretary





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